

## **The Economic Impact of the 2015 Preakness on the Maryland Economy**

### **Summary**

The 140<sup>th</sup> running of the Preakness Stakes drew a record crowd of 131,680 to historic Pimlico Race Course in Baltimore, the largest attendance in Preakness history. Race-day betting nationwide was up 1.4 percent over 2014. While money brought in by betting drives the industry, in-state operations of the race, attendance at the racetrack and related events is most important in generating the economic impacts for the region and the State.

For the State of Maryland, the Preakness is an opportunity to showcase its horse industry, hospitality and tourist attractions to business decision makers and a wider audience. The economic impacts of the event include not only the dollars spent on the race and by spectators, but also the positive publicity and exposure for the state, particularly the horse industry. However, the impacts that can be measured are limited to the operating expenditures of the event and the spending by visitors that would not otherwise occur.

Based on the number of visitors and projected average visitor spending, this study estimated the direct, indirect and induced impact of that spending in terms of jobs, salaries and tax revenues generated. This analysis addresses direct expenditures that can be attributed to the Preakness. This includes expenditures and visitor spending for Preakness Celebration events before and after the race itself.

### **2015 Highlights:**

- A crowd of 131,680 enjoyed the 140th running of the Preakness at historic Pimlico Race Course.
- Preakness day wagering reached \$85,814,142 on the entire racing card, with \$6,177,230 bet in-state.
- Raceday operations generated direct expenditures of \$8.3 million and 165 full-time equivalent jobs (Table 1).
- Visitors to the Preakness and Preakness Celebration spent an estimated \$10.6 million which supports 222 full-time equivalent jobs (Table 2).
- Including indirect impacts (multiplier effect), total Preakness-related expenditures totaled \$33.6 million (Table 3).
- In all, Preakness visitors and operations generated 482 full-time equivalent jobs and \$12.9 million in salaries (Table 3).
- The total expenditures and employment from Preakness race day operations and visitor spending generated approximately \$2.2 million in State and local taxes (Table 4).

**Table 1: Preakness 2015**  
**Direct Economic Impact of Operations**

<b>Category</b>	<b>Gross Expenditures</b>	<b>Full-Time Equivalent Jobs</b>	<b>Employee Income</b>
Race-Day Expenditures	\$4,264,414	81	\$2,376,658
Food and beverage (On-site)	2,896,011	62	1,380,938
Operations from Betting	1,111,902	22	388,488
<b>Total</b>	<b>\$ 8,272,327</b>	<b>165</b>	<b>\$ 4,146,085</b>

**Table 2: Preakness 2015**  
**Direct Economic Impact of Visitor Expenditures (Off-Site)**

<b>Category</b>	<b>Gross Expenditures</b>	<b>Full-Time Equivalent Jobs</b>	<b>Employee Income</b>
Hotels/Motels	\$1,259,075	10	\$378,416
Transportation & parking	1,565,250	35	454,414
Restaurants	4,678,006	100	2,230,668